

Message Text

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TO SECSTATE WASHDC IMMEDIATE 2042
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USMTN

BONN FOR AMBASSADORS STRAUSS, MCDONALD, AND WOLFF

ACTION STR
PASS STR ELECTRONICALLY
STR PASS CODEL

PASS USICA

E.O. 11652: N/A
TAGS: ETRD, GATT, MTN
SUBJECT: JULY 13 PRESS CONFERENCE BY AMBASSADOR ROBERT S.
STRAUSS

1. AMBASSADORS ROBERT S. STRAUSS, ALONZO MCDONALD AND ALAN
WOLFF HELD A CROWDED PRESS CONFERENCE JULY 13 AT 4:15 P.M.
IN THE PRESS BRIEFING ROOM AT THE PALAIS DES NATIONS IN
GENEVA. EC COMMISSION VICE PRESIDENT HAFERKAMP, JAPANESE
MINISTER USHIBA AND CANADIAN AMBASSADOR JAKE WARREN ALSO
HELD AFTERNOON PRESS CONFERENCES. AT 3:00 P.M. THE GATT
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SECRETARIAT DISTRIBUTED TO THE PRESS A "STATEMENT BY
SEVERAL DELEGATIONS ON CURRENT STATUS OF TOKYO ROUND NEGOTIATIONS."

2. FOLLOWING IS THE TEXT OF AMBASSADOR STRAUSS'S PRESS
CONFERENCE. BEGIN TEXT.

3. MR. MEYERS: THANK YOU ALL FOR COMING THIS AFTERNOON. IT IS HARD TO BELIEVE THAT IT HAS ONLY BEEN 26 HOURS SINCE WE MET BEFORE, SO MUCH HAS HAPPENED. AMBASSADORS STRAUSS, MCDONALD, AND WOLFF HAVE BEEN VERY ACTIVELY ENGAGED IN THE NEGOTIATING PROCESS, AND WE WILL BRING YOU UP TO DATE VERY QUICKLY AND THEN TAKE QUESTIONS. JUST BEFORE COMING UP HERE, AMBASSADOR STRAUSS DICTATED A FEW WORDS ON A PIECE OF PAPER AND THAT IS BEING TYPED AND REPRODUCED. WE WILL HAVE IT FOR YOU IN JUST A FEW MOMENTS. THANK YOU.

4. AMBASSADOR STRAUSS: THANK YOU, AND THANK EACH OF YOU FOR COMING AGAIN AND MEETING WITH US. I PRESUME FROM WHAT I HEAR YOU ARE GOING TO HAVE A FULL SCHEDULE TODAY. I SUSPECT THAT SOME OF MY COLLEAGUES WHO APPEAR BEFORE YOU WILL HAVE SOME RATHER FORMIDABLE WRITTEN DOCUMENTS TO PRESENT TO YOU. IT WAS MY SUGGESTION THAT WE JUST PASS OURS OUT.

I WILL JUST MAKE A FEW OPENING STATEMENTS IF I CAN AND TRY TO GIVE YOU WHAT I CONSIDER TO BE THE FEEL OF THE SITUATION ON BEHALF OF MYSELF AND MY TWO COLLEAGUES, AMBASSADOR MCDONALD, WHOM EACH OF YOU KNOW, AND AMBASSADOR WOLFF, WHOM SOME OF YOU KNOW FROM HERE AND THOSE OF YOU WHO HAVE BEEN AROUND WASHINGTON KNOW THERE. THE THREE OF US HAVE BEEN ENGAGED AS PARTNERS IN A JOINT VENTURE NOW FOR JUST ABOUT A YEAR, AND IT'S HARD FOR ME TO BELIEVE WHERE WE ARE TODAY AND WHERE WE WERE A YEAR AGO.

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I WOULD LIKE TO BEGIN BY SAYING THAT IT IS MY ASSESSMENT, THE ASSESSMENT OF MY PARTNERS WHO JOIN ME HERE, AND THE ASSESSMENT OF A NUMBER OF OUR NEGOTIATING PARTNERS--SOME OF WHOM AGREE WITH SOME OF WHAT WE'VE DONE, AND SOME OF WHOM AGREE WITH MOST IF NOT ALL OF WHAT WE'VE DONE--THAT WE HAVE TRULY FULFILLED THE MANDATE GIVEN US AT THE DOWNING STREET SUMMIT. WE FULFILLED IT ON THE EVE OF GOING TO BONN. THE THREE OF US LEAVE THIS EVENING TO JOIN PRESIDENT CARTER FOR THE BONN SUMMIT. I THINK THAT WE HAVE TOGETHER WITH THE REPRESENTATIVES OF A GREAT MANY COUNTRIES, FINALLY BROKEN THE BACK, TOTALLY, OF THE TOKYO ROUND AND HAVE ARRIVED AT A STATEMENT WHICH I TERM, AND I TRUST THE OTHERS WILL TERM IN A SOMEWHAT SIMILAR FASHION, A FRAMEWORK OF UNDERSTANDING THAT HAS OUR STRONG SUPPORT. WE THINK IT HAS BROAD SUPPORT, AND I HAVE SOME CONFIDENCE IT WILL DEVELOP INCREASINGLY BROAD SUPPORT THROUGHOUT THE NEXT FEW DAYS AND ON THROUGH THE BONN SUMMIT. WE HAVE MADE PROGRESS ON EVERY SINGLE FRONT. WE HAVE GIVEN UP ON NONE OF OUR ORIGINAL GOALS. WE HAVE MADE ALMOST SUFFICIENT, IF NOT SUFFICIENT, PROGRESS ON THE ACHIEVEMENT OF A GREAT MANY OF THOSE GOALS. WE HAVE CONSIDERABLE WORK TO DO ON

THE ACHIEVEMENT OF SOME OF THEM. I THINK WE HAVE ACHIEVED WHAT I TERMED AS BEING 80 TO 85 PERCENT OF THE WAY HOME A COUPLE OF WEEKS AGO WHEN I LEFT WASHINGTON. IN TEXAS, I BELIEVE I WOULD RECIEVE AN "A", BUT HERE IN GENEVA, HOPEFULLY WE'LL GET AT LEAST A "B", OR A "B MINUS" OR "B PLUS" ON OUR WORK TO DATE.

THERE IS A LOT TO BE DONE. THERE IS A GREAT DEAL OF DETAIL TO BE FLESHED IN. DURING THE COMING MONTHS, I THINK WE WILL DO THAT WITH CONTINUED GOOD WILL. WE HAVE HIDDEN NO ISSUES, NOR HAVE WE COVERED OVER ANY ISSUES WHERE WE HAVE FAILED TO MAKE THE KIND OF PROGRESS WE WOULD HAVE HOPED FOR. AS A MATTER OF FACT, WHEN YOU SEE THE DOCUMENT THAT I TERM THE "FRAMEWORK OF UNDERSTANDING," WE HAVE HIGHLIGHTED THEM FOR YOU. WE'VE TRIED TO -- IN AMBASSADOR UNCLASSIFIED

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MCDONALD'S TERM -- "TEE UP" THOSE ISSUES THAT REMAIN UNSOLVED AND TO BE TACKLED. SO, I THINK IT IS A FORTHRIGHT STATEMENT; I THINK IT IS A MEANINGFUL STATEMENT; AND I THINK IT WILL PROVE TO BE A MOST WORTHWHILE STATEMENT. I

WOULD BE PLEASED TO TAKE ANY OF YOUR QUESTIONS.

5. (MELVIN WESTLAKE, TIMES). Q. RIGHTLY OR WRONGLY, MANY OF US GOT THE IMPRESSION FROM SOME OF YOUR EARLIER STATEMENTS THAT IN FACT, YOU THOUGHT THAT YOU WOULD BE FURTHER BY THIS STAGE THAN YOU ACTUALLY ARE. WOULD YOU AGREE THAT THAT IS THE CASE?

A. (AMBASSADOR STRAUSS). THAT IS A SOMEWHAT DIFFICULT QUESTION TO ANSWER. I HAD HOPED THERE WOULD BE MORE AGRICULTURAL PROGRESS, CERTAINLY, THAN HAS BEEN MADE. NOT EVERY COUNTRY HAS BEEN AS FORTHCOMING AS WE MIGHT HAVE HOPED, BUT A GREAT MANY THAT WE HAD DOUBTED WOULD BE AS FORTHCOMING AND FAR ALONG AS THEY ARE, HAVE EXCEEDED OUR HOPES. SO, I SUSPECT IN SOME AREAS, WE ARE A BIT SHORTER
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THAT I HAD HOPED TO BE, AND IN OTHERS WE HAVE A BIT MORE PROGRESS.

I NEVER DREAMED THAT WE WOULD HAVE THE KIND OF BROAD SUPPORT THAT I THINK THIS IS GOING TO HAVE AT THE SUMMIT. I REALLY HAD THOUGHT IN TERMS OF THREE OR FOUR COUNTRIES, BUT I THINK YOU ARE GOING TO SEE TEN OR TWELVE BY DARK -- AND THE NUMBER IS CONTINUING TO GROW -- THAT WILL EXPRESS SOME RESERVATIONS AS WELL AS SUBSTANTIAL APPROVAL, JUST AS I DO. I AM NOT SATISFIED WITH WHERE WE ARE, BUT AS A CONCLUSION, I AM EXCEEDINGLY PLEASED WITH WHERE WE ARE IN TERMS OF OUR BEING ABLE TO COMPLETE THE TOKYO ROUND SUCCESSFULLY THIS FALL AND MY PRESENTING IT TO CONGRESS WHEN IT RECONVENES IN JANUARY. I HOPE THAT GIVE YOU AN ANSWER.

Q. (STEPHEN HUGH-JONES, ECONOMIST). MR. AMBASSADOR, YOU SAID ABOUT A WEEK AGO IN WASHINGTON, THAT IN THE TALKS ON AGRICULTURE THE EEC WOULD NEED A REVISED MANDATE. DO YOU STILL HOLD WITH THAT?

A. (AMBASSADOR STRAUSS). WELL, I DON'T WANT TO GET INTO THE DETAILS OF THAT, BUT I THINK THE MANDATE WILL HAVE TO BE INCREASED A BIT, UNQUESTIONABLY. OUR AGRICULTURAL DISCUSSIONS WITH THE EC HAVE BEEN MOST PRODUCTIVE -- MOST PRODUCTIVE -- AND I THINK THEY FEEL THAT THEIR DISCUSSIONS WITH US COULD BE CLASSED IN THE SAME WAY. I DON'T WANT TO SAY ANY MORE ABOUT IT THAN THAT AT THIS STAGE. THESE ARE STILL CONTINUING NEGOTIATIONS.

Q. (ALAN MAYER, NEWSWEEK). YOU SAID THAT YOU'D HOPED THERE WOULD BE MORE PROGRESS THAN HAS BEEN MADE ON AGRICULTURE. NOW HOW DO YOU FEEL ABOUT WHAT'S HAPPENING WITH INDUSTRIAL TARIFFS?

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A. (AMBASSADOR STRAUSS). WELL, LET ME BACK UP A BIT AND TAKE A FEW MINUTES AND ANSWER THAT. I NEGLECTED TO MAKE A POINT I FEEL VERY STRONGLY ABOUT.

I HAVE SAID SINCE THE DAY I TOOK ON THIS JOB AND FIRST BEGAN TO LEARN A BIT ABOUT IT, THAT WHILE I SAW TARIFFS AS A VERY IMPORTANT PART OF THIS NEGOTIATION, IT SEEMED TO ME THAT THE NONTARIFF ITEMS, IF WE COULD DIRECT OURSELVES TO THEM, IF WE COULD ADDRESS THEM PROPERLY, REALLY WERE THE THINGS THAT WOULD AFFECT THE FLOW OF TRADE IN THE 1980'S. NOW THAT DOESN'T MEAN THAT IT IS NOT IMPORTANT TO REDUCE A TARIFF BY ONE-HALF PERCENT A YEAR OR BY THREE-QUARTERS OF A PERCENT A YEAR OVER A PERIOD OF A NUMBER OF YEARS, BUT THOSE THINGS REALLY DO NOT DRAMATICALLY OR STRONGLY AFFECT THE PATTERN AND FLOW OF TRADE BETWEEN NATIONS OF THE WORLD, IN MY JUDGMENT, ALTHOUGH THEY ARE SIGNIFICANT. MANY THOUGHT THAT IT WAS THE HEIGHT OF FOLLY TO THINK THAT WE COULD DO MORE THAN THAT, BECAUSE TARIFFS ARE RATHER EASY TO DIRECT YOURSELF TO. YOU GIVE UP TWO DOLLARS, AND YOU GET BACK TWO DOLLARS, AND YOU GIVE UP FOUR FRANCS, YOU GET BACK TWO DOLLARS. WELL, IF YOU DO THAT WELL NOW, YOU WOULD BE DOING A LITTLE BETTER THAN NORMAL, SO I TAKE THAT BACK. (LAUGHTER). IT REALLY ISN'T HARD; YOU'RE CHANGING MONEY, AND YOU CAN COUNT IT VERY EASILY. AND EVERYONE SAID THAT THE UNITED STATES HAD LOST ITS MIND IF I THOUGHT THAT WE COULD GET COUNTRIES AROUND THE WORLD TO DIRECT THEMSELVES TO SUCH ITEMS AS GOVERNMENT PROCUREMENT, AS STANDARDS, AS CUSTOMS VALUATION, AS COUNTERFEITING, AS SUBSIDIES, AND ON AND ON AND ON. WHAT I THINK IS THE MAJOR ACCOMPLISHMENT, AND I DON'T MINIMIZE OUR PROGRESS ON TARIFFS BECAUSE I'M GOING TO GET TO THAT SPECIFICALLY IN A MINUTE, IS THAT WE HAVE BEEN ABLE TO DO THIS. NOW, WE HAVEN'T SOLVED THEM ALL BUT WE HAVE SOLVED THREE OUT OF FOUR OF THOSE THINGS I HAVE JUST MENTIONED, I THINK, AND REALLY HAVE A STATE OF COMPLETION, ALMOST. AND ON THE OTHERS, WE HAVE NARROWED THE ISSUES, WE HAVE MADE DRAMATIC PROGRESS, ENOUGH THAT WE

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COULD RECORD IT ON A DOCUMENT, AND HAVE EIGHT, TEN, 12, 14,
16, 18 OR SO COUNTRIES SAY OF THIS WE APPROVE.

NOW, WITH RESPECT TO TARIFFS, WE HAVE VERY MEANINGFUL
TARIFF OFFERS ON THE TABLE. THE BALANCING THERE, I SUSPECT,
WILL BE A SUBJECT OF CONTINUING ATTENTION UNTIL THE VERY
LAST MINUTE. TARIFFS PRESENT CONSTITUENT PROBLEMS BACK IN
OUR HOME COUNTRIES.

LET ME TELL YOU ABOUT MYSELF, FOR EXAMPLE. I AM A
REASONABLY WELL-INFORMED AMERICAN, BUT AFTER I'D BEEN IN
THIS JOB A COUPLE OF DAYS, AND LOOKED AT TARIFF SCHEDULES,
AND BEGAN TO THINK THAT THEY PUT ME IN A JOB WHERE ONE OF
MY PRIMARY RESPONSIBILITIES WAS GOING TO BE WHETHER OR NOT
A GROUP OF TARIFFS WAS REDUCED BY ONE-HALF OF ONE PERCENT
A YEAR OVER A FEW YEARS, HELL I THOUGHT I WAS PLAYING WITH
CHICKEN FEED* AND I WAS OUTRAGED. BUT I THOUGHT, WHEN
THEY DISCUSSED TARIFFS, THAT TARIFFS WERE SIXTY PERCENT AND
WE WERE GOING TO KNOCK THEM DOWN TO TEN PERCENT. I DIDN'T
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KNOW TARIFFS WERE EIGHT PERCENT AND WE WERE GOING TO TRY TO
MOVE THEM TO SIX, OR FIVE, OR FOUR, OVER A PERIOD OF YEARS,
AND THAT'S WHAT WE ARE TALKING ABOUT HERE. ARE THEY
IMPORTANT? YES. ARE THERE KEY INDUSTRIES INVOLVED? YES.
ARE THERE KEY CONSTITUENCIES INVOLVED? YES. BUT IN TERMS

OF THE DIFFICULTIES OF DEALING WITH THEM VIS-A-VIS THESE OTHER ISSUES, THERE'S NO BASIS OF COMPARISON. NOW THAT'S A PERSONAL REFLECTION AND REACTION.

Q. (WESTLAKE, TIMES). BUT YOU ARE TALKING ABOUT AVERAGE TARIFFS BEING EIGHT PERCENT, AND THERE ARE A LOT OF VERY HIGH ONES.

A. (AMBASSADOR STRAUSS). OH, YES, IN SOME OF THOSE WE'RE GENERALLY FOLLOWING THE SWISS FORMULA. THERE'LL BE HARMONIZATION, IF THEY WANT IT FROM US. THERE'LL BE A LOT OF THINGS. I THINK WE ARE GOING TO HAVE A TARIFF RESULT THAT WILL BE EQUAL TO ANY OF THE MAJOR TARIFF REDUCTIONS OF THE PAST, AND WE'RE WORKING ON A MUCH LOWER BASE.

Q. (PETER DREYER, JOURNAL OF COMMERCE). INCLUDING THE KENNEDY ROUND?

A. (AMBASSADOR STRAUSS). I WOULD SAY SPECIFICALLY REFERRING TO THE KENNEDY ROUND, IT WOULD BE COMPARABLE. I WOULD USE THE TERM COMPARABLE. AMBASSADOR MCDONALD, WHO HAS BEEN DEALING WITH THAT ON A DAY-TO-DAY BASIS MIGHT QUARREL WITH THAT, BUT I HOPE NOT.

A. (AMBASSADOR MCDONALD). I THINK COMPARABLE IS A GOOD STATEMENT.

Q. (MICHAEL O'MARA, USICA). YOU SAID EQUAL A MOMENT AGO, SIR.

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A. (AMBASSADOR STRAUSS). WELL, I SAY COMPARABLE. EQUAL MEANS EXACTLY, AND IT MIGHT BE BETTER AND IT MIGHT BE WORSE. COMPARABLE IS CLOSE ENOUGH FOR ME. I'LL SETTLE OUT FOR IT NOW. IF ANYBODY WANTS TO CLOSE THE DEAL, YOU CAN LINE THEM UP AND WE'LL SIGN UP. I AM A CLOSER, NOT A NEGOTIATOR.

Q. (PHIL REVSON, WALL STREET JOURNAL). YOU MENTIONED THERE IS GOING TO BE HARD BARGAINING ON BALANCING OF TARIFF OFFERS DOWN TO THE VERY LAST MINUTE. NOW WHAT IS THE LAST MINUTE?

A. (AMBASSADOR STRAUSS). I WOULD THINK THE LAST MINUTE IS THIS FALL, AS WE HAVE ALWAYS SAID. WE HAVE CRACKED THE BACK OF ENOUGH POLITICAL ISSUES THAT PRIOR TO THE END OF THE YEAR, I CERTAINLY WOULD HOPE THAT WE WOULD BE PUTTING THE LAST CROSSES AND DOTS ON A DOCUMENT THAT WOULD BE DROPPED IN THE CONGRESSIONAL HOPPER ON JANUARY 20 OR 23 WHEN THEY RECONVENE.

Q. (WESTLAKE, TIMES). CAN YOU GIVE US A SPECIFIC DATE, DECEMBER 31?

A. (AMBASSADOR STRAUSS). WELL, IF YOU WANT ONE, I DON'T OBJECT TO IT. I WOULD RATHER NOT SPEND NEW YEAR'S EVE HERE SIGNING A DOCUMENT. I AM MARRIED TO A VERY ATTRACTIVE WOMAN SOME 38 YEARS, AND WE'LL PROBABLY BE IN SOME ROMANTIC SPOT INSTEAD OF A DULL MEETING ROOM, AT LEAST, I HOPE SO.

Q. (MAYER, NEWSWEEK). COULD YOU GIVE US A LIST OF SOME OF THE MAJOR POLITICAL ISSUES IN FACT YOU THINK YOU'VE CRACKED?

A. (AMBASSADOR STRAUSS). WELL, I'D RATHER NOT ENUMERATE BECAUSE IT WOULD CAUSE SOME TO BE LEFT OUT. I THINK WE HAVE MADE AN AWFUL LOT OF PROGRESS IN AN AWFUL LOT OF AREAS UNCLASSIFIED

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AND I WOULD RATHER LET THE DOCUMENT SPEAK FOR ITSELF. I THINK WHEN YOU READ IT, IT WILL HIGHLIGHT WHAT WE HAVE FAILED TO DO AS WELL AS WHAT WE HAVE DONE. DON'T YOU THINK THE DOCUMENT IS SUFFICIENTLY SPECIFIC TO USE?

A. (AMBASSADOR MCDONALD). YES, WE TALKED IN EARLIER SESSIONS OF A HUNDRED OR MORE ISSUES AND HOW WE HAD NARROWED THEM DOWN INTO 25 OR 40 OR 50. WE ARE DEALING WITH THE NUMBER YOU CAN COUNT ON TWO HANDS AT THIS POINT IN TIME. YOU WILL ONLY SEE IN TWO MAJOR SECTIONS OF THE PAPER THAT WAS DISTRIBUTED POINTS THAT HIGHLIGHT KEY ISSUES STILL TO BE RESOLVED. I THINK IT IS FAIR TO SAY THAT IN THE OTHERS THERE MAY BE SOME MINOR DIFFERENCES, PROBABLY AT MY LEVEL AND BELOW THAT WE CAN WORK OUT TECHNICALLY. BUT UNCLASSIFIED

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THE REAL POLITICAL ISSUES ARE POINTED UP, THEY ARE FOR ALL PRACTICAL PURPOSES UNDERLINED AND THERE IS NO QUESTION ABOUT WHAT STILL HAS TO BE DONE.

A. (AMBASSADOR STRAUSS) LET ME GO JUST A BIT FURTHER ON THAT. I THINK IN THE AREA OF SUBSIDIES WE HAVE MADE MORE PROGRESS THAN ANY OF US THOUGHT WE WERE GOING TO MAKE. I THINK THAT CAN BE SAID. I THINK IF YOU ASK SIR ROY DENMAN WHETHER HE THOUGHT WE WOULD BE THIS FAR ALONG, HE WOULD SAY ABSOLUTELY NOT. SOME MIGHT GRADE OUR PROGRESS THERE AS A BECAUSE IT IS SO MUCH FURTHER THAN THEY THOUGHT IT WOULD BE, BUT THERE IS STILL SOME HARD TOUGH NUTS TO CRACK IN THERE. IT DEPENDS ON WHETHER YOU ARE GRADING IT ON "ARE WE THROUGH" OR "HOW FAR WE HAVE COME IN THE LAST FEW WEEKS". WHEN AMBASSADOR WOLFF AND I ASSESSED THE CABLE WHICH WE RECEIVED A COUPLE OF WEEKS AGO FROM AMBASSADOR MCDONALD, WE HAD A VERY BLUE DAY, WHEN HE TOLD US WHERE WE WERE.

A. (AMBASSADOR MCDONALD) ONE DOES NOT LIKE TO OVER-PROMISE.

A. (AMBASSADOR WOLFF) THREE MONTHS AGO, WE WONDERED WHETHER WE WOULD HAVE A GOVERNMENT PROCUREMENT CODE AT ALL. WE DID NOT KNOW THAT WE WOULD HAVE A SUBSIDIES CODE AT ALL. THERE ARE A NUMBER OF AREAS IN THIS NEGOTIATION THAT WERE REALLY IN DOUBT. WE COULD NOT SEE AGRICULTURE COMING INTO THIS PACKAGE AT ALL AND THERE HAS BEEN AN ENORMOUS AMOUNT OF PROGRESS REALLY IN RECENT WEEKS AND IN RECENT DAYS.

Q. (REGINALD DALE, FINANCIAL TIMES) ON SUBSIDIES, AMB. STRAUSS, YOU ARE VERY INSISTENT THAT THE EUROPEANS TACKLE UNCLASSIFIED

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OR EXERCISE MORE DISCIPLINE ON SUBSIDIES. THEY WOULD SAY THAT THE BIGGEST AND MOST FLAGRANT SUBSIDY AROUND WOULD BE THE LOW LEVEL OF THE U.S. OIL PRICE. I WONDER IF YOU WOULD COMMENT ON THAT?

A. (AMBASSADOR STRAUSS) I AM NOT GOING TO GET INTO SPECIFICS LIKE THAT. IT WOULD BE COUNTERPRODUCTIVE. I CAN FIND SOMEONE WHO HAS SOMETHING TO SAY ON EACH SIDE ON DAMN NEAR ANY ISSUE YOU CAN MENTION, INCLUDING MY GOOD FRIENDS FROM GREAT BRITAIN. I AM NOT INTERESTED IN THE NEGATIVE TODAY AND I AM NOT INTERESTED IN SPECIFICS IN THAT AREA. THE ONLY NEGATIVE THING I WANT TO SAY IS A FAILURE TO BE POSITIVE BY SAYING WE HAVE MUCH TO DO AND WE ARE NOT HERE BEFORE YOU TO SAY THE WORLD'S TRADING PROBLEMS ARE SOLVED. I AM BEFORE YOU TO SAY THAT I THINK DRAMATIC PROGRESS HAS BEEN MADE TOWARD SOLUTIONS OF THE WORLD'S TRADING PROBLEMS. FOR THE FIRST TIME IN THE HISTORY OF TRADE NEGOTIATIONS, SUBJECTS HAVE BEEN ADDRESSED IN THE NON-TARIFF AREA THAT NO ONE EVER DREAMED WOULD REALLY BE ADDRESSED. I AM PARTICULARLY PLEASED ON THE EVE OF THIS SUMMIT, THAT PRESIDENT CARTER, WHO HAS TAKEN POLITICAL SCARS IN OUR COUNTRY FOR MAINTAINING A POSITIVE TRADE POSTURE, HAS KEPT US IN A VERY TENACIOUS POSTURE IN TERMS OF TAKING ON THE FORCES OF PROTECTIONISM. I THINK THAT WHEN WE GREET HIM AND BRIEF HIM THIS EVENING, HE WILL BE VERY PLEASED WITH THE PROGRESS REPORT THAT WE GIVE HIM, I THINK WE ARE ASSURED THAT THIS IS A MAJOR, I REPEAT, MAJOR TRADE ROUND.

Q. (JONATHAN ROLLO, WASHINGTON POST) SIR, YOU HAVE MENTIONED THAT YOU HAVE CRACKED A LOT OF TOUGH POLITICAL NUTS, BUT TWO OF THE TOUGHEST POLITICAL NUTS WERE OVER SAFEGUARDS AND COUNTERVAIL/SUBSIDIES. IN READING THIS, AT LEAST TO MY AMATEUR EYES, IT LOOKS LIKE YOU STILL HAVE SOME NUTS TO CRACK.

A. (AMBASSADOR STRAUSS) I WOULD SAY YOUR EYES ARE NOT UNCLASSIFIED

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AS AMATEUR AS YOU WOULD MAKE THEM, AND IF MY EYES WERE AS GOOD AS YOURS, I WOULD NOT HAVE THESE GLASSES ON BECAUSE YOU ARE EXACTLY RIGHT. WE HAVE WORK TO DO THERE, BUT THAT DOES NOT MEAN THAT WE HAVE NOT ACCOMPLISHED A

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GREAT DEAL. THAT IS THE KIND OF ISSUE THOUGH THAT WE CAN
RESOLVE. I AM NOT CONCERNED ABOUT OUR ABILITY TO RESOLVE
AN ISSUE LIKE THAT.

Q. (HAL JONES, CANADIAN BROADCASTING CORPORATION) SIR,
HOW TOUGH AN ISSUE DO YOU FACE WITH THE EUROPEAN COMMUNITY
REDUCING ITS OFFER ON TARIFFS ON THE VERY EVE OF THE
SUMMIT?

Q. (AMBASSADOR STRAUSS) I THINK EVERYTHING IS NEGOTIABLE
AND IS ON THE TABLE. EVERYTHING WE HAVE IS NEGOTIABLE AND
EVERYTHING THEY HAVE IS NEGOTIABLE. I THINK THOSE OFFERS
ARE GOING TO BE BALANCED AND ENRICHED AND WITHDRAWN AND
SHIFTED AND MOLDED ALMOST ON A DAY BY DAY BASIS FROM HERE
ON. THE REASON IS BECAUSE NOW WE ARE REALLY PLAYING FOR
KEEPS. UP TO THIS POINT, WE WERE IN KIND OF A LOOSE
GAME WHEN EVERYONE SAID WHAT THE HELL, YOU MIGHT AS WELL
GO AND DANCE, IT'S FREE AND IT'S EASY UP TO THE BAR AND
JOIN THE FELLOWS. BUT FROM HERE ON IN, THERE IS NO
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LONGER A FREE LUNCH. WE ARE PLAYING FOR KEEPS.

Q. (JONES, CBC) THE TIMING ABOUT THAT DOES NOT BOTHER YOU THOUGH, SIR?

A. (AMBASSADOR STRAUSS) EVERYTHING BOTHERS ME, BUT IT DOES NOT SET ME BACK. THE TIMING WHEN I LEFT JONES COUNTY TO TRY TO GET AN EDUCATION WAS IN THE MIDDLE OF THE 30'S IN THE HEIGHT OF THE DEPRESSION. IT BOTHERED ME BUT IT DID NOT STOP ME FROM LEAVING HOME AND TRYING FOR SOMETHING BETTER, AND THAT IS THE WAY I FEEL ABOUT THIS. THAT IS A KEY POINT. I WANT TO REMIND YOU THAT THE FIRST THING THAT WAS ASKED ME A YEAR AGO WHEN WE STARTED TALKING ABOUT MAKING PROGRESS, WAS DOESN'T THE TIMING CONVINCE YOU THAT YOU COULD NOT CONCEIVABLY HAVE ANY SUCCESSFUL TRADE NEGOTIATIONS. ECONOMIES ARE FRAGILE; THERE IS INFLATION AROUND THE WORLD; GROWTH RATES ARE FAILING TO MEET GOALS; NATIONS ARE JOCKEYING FOR POSITIONS WITH EACH OTHER. DOESN'T THE TIMING DISTURB YOU? YOU CAN'T MAKE PROGRESS IN A CLIMATE LIKE THIS. MY ANSWER THEN WAS, AND I DON'T WANT TO BE ARROGANT ABOUT IT, THAT THE TIMING IS SUCH THAT WE CANNOT FAIL TO MAKE PROGRESS. AND I SAY TO YOU THAT THE TIMING NOW IS SUCH AND THE CONDITIONS ARE SUCH AROUND THE WORLD THAT WE CANNOT FAIL TO MAKE PROGRESS. I HEARD FRANKLIN ROOSEVELT ONE DAY SAY BEFORE SOME OF YOU WERE BORN THAT HE THOUGHT A NUMBER OF US HAD, WHAT HE TERMED IN THAT CLASSIC LINE, A RENDEZVOUS WITH DESTINY. I DON'T WANT TO OVER-DRAMATIZE IT, BUT I THINK NEGOTIATORS HAVE A BIT OF THAT IN THEIR HANDS. I THINK THEY ARE PLAYING FOR REAL STAKES THAT ARE GOING TO AFFECT PEOPLE'S LIVES IN REAL WAYS WHERE THEY EAT BETTER, WHERE THEY DRESS BETTER, WHERE THEY LIVE A BIT BETTER. YOU HAVE TO BELIEVE THAT OR YOU WOULD NOT

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BE HERE. MAYBE IT'S ALL HOGWASH AND MAYBE I AM A BIT OF A SENILE OLD FOOL; BUT FOR THE PRESENT, I WILL STAND ON THAT STATEMENT.

THANK YOU VERY MUCH. END TEXT. MCDONALD

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